TEFING.



9 NOVEMBER 1955

CONFIDENTIAL CONFIDENTIAL

Israel's borders since the flameup on 2-3
November at El Auja.

- De-facto cease-fire was broken by clash between small Egyptian and Israeli forces on 8 November near Eilat, Israel's port on the Bulf of Aqaba. This incident is the first fighting since 1949 in this area.
 - 1. It recalls implied threat by Masr early this year, when he said Egypt would strike back at Israel elsewhere than the Baza strip.
 - Also recalls Ben Gurion's repeated assertions that Israel must clear the Egyptian blockade of Eilat, by force if necessary.

IMENT NO. 3		 · · · · ·		-
HANGE IN CLASS.				
ECLASSIFIED				
CHANGED TO: TS				
: HR 70-2		 Mares	No. 200 Trees.	
189008D. REVIEWE	R:	WVFi	DE	1 /4
()			Aug H A	10 h
		 -	4	

25X1

- B. Egypt still seems unready to retaliate on a large scale for Israeli raids.

 Israel has apparently halted its transport mobilization.
- C. Immediate crisis appears to have passed

 Both sides continue to made bellicose

 propaganda.
- II. Egyptian-Soviet Bloc Arms Deal-

has been aroused.

A. Egypt apparently completed its major and most urgent contracts with the bloc by 2 November, and is now negotiating on "supplementary" items. These negotiations now include Poland.

Egyptian army officers now completely
happy with Soviet equipment, finding it
a mixture of old and new. Some
suspicion of Soviet good faith allegedly



25X1

CONFIDENTIAL

25X1

25X1

Egypt is not slackening

its purchases of small arms there, and is even continuing to try to get some heavier equipment, such as tanks and marine diesel engines.

cabinet decision made on 23 October to
curchase \$50 million in arms has resulted
conly in increased pressure on the US to
copply equipment but also in extensive
cell arms procurement efforts in Europe.
France will probably supply 15 Mystere
jet fighters in the near future.
In Italy Israel has begun negotiations
for large quantities of arms including
40 F-51 aircraft, 50 Sherman tanks,
conself-propelled M-7 guns, 500 jeeps
and command cars as well as large

JONEDENIA

CONFIDENTIAL

- C. Inside Israel the drive to collect funds
 for arms continues to meet with
 enthusiastic success.
 - 1. The government; alming at the equivalent of \$12,5 million by the close of 1955 reportedly has already collected about \$4 million.

